

# **Standard Operating Procedures**

## **For Government Purchase Card Cardholders and Billing Officials**

### **Module 1**

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Purpose of the Government Purchase Card Program.

- A. Puts micro-purchase (up to \$2500) decisions and actions in the hands of users.

The Government Purchase Card Program offers an efficient, low-cost procurement and payment mechanism which significantly shortens the time between need and acquisition while providing management with monthly reports and a thorough audit trail of all purchases.

- B. Allows low administrative cost method for purchases and payments.

Providing you with the Government Purchase Card will simplify the small purchasing process and improve cash management practices. By using the Government Purchase Card you will achieve this in the following ways:

1. Streamlining payment procedures and reducing administrative costs for acquisitions of certain supplies and services within the micro-purchase arena (up to \$2,500.00).
2. Improve Government case management practices e.g., forecasting, consolidating payments.
3. Provide procedural feedback to improve management control and decision making.

#### *Chief of Staff, Army Micro-Purchase Goal*

The Chief of Staff, Army goal for purchasing micro-purchases using the Government Purchase Card is 91%. AMC's current achievement exceeds this goal.

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#### **General Information**

##### *General Services Administration*

The General Services Administration (GSA) has awarded six contracts for the "next generation" of federal Government charge cards. The contracts were awarded to American Express Co., Citibank, First National Bank of Chicago, Mellon Bank, Nations Bank and U.S. Bank (formerly Rocky Mountain BankCard). Fleet card services are included in the contracts with American Express, Citibank and U.S. Bank. Purchase, travel and fleet

services are currently provided by three separate contractors. However, under the new contracts, an agency will be able to obtain more than one service-plus add-on features-from a single contractor.

### *AMC*

The Contracting Office is the office with direct overall responsibility for the Government-wide commercial credit card program within the US Army Materiel Command (AMC).

### *Agency/Organization Program Coordinator*

The Agency/Organization Program Coordinator (A/OPC) is the government employee designated by the Principle Assistant Responsible for Contracting to perform contract administration within the limits of the delegated authority.

### *Cardholder/Billing Official*

Currently, there are more than 6,000 Government Purchase Cards in use by AMC employees. These cards represent another step in simplifying government financial transactions and saving on administrative costs while offering agencies broad choices in card-based services.

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## **Module 2**

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### *Establishing an Account*

Cardholder Nomination Memorandum, signed by Division or Branch Chief of the activity, is normally routed to the A/OPC.

Memo Includes:

- Full name of proposed cardholder, work address (include building number and office symbol), and phone number.
- Full name, work address, and telephone number for Billing Official and Alternate Billing Official (attach a completed DD Form 577 Signature Card).
- Organization's name, appropriation code, single purchase limit, and 30-day spending limit for the cardholder.
- Accounting classification code (must contain at least 50 digits) for the activity (assigned by the RM office).

Each Division or Branch Chief submits a memorandum of nomination for each person to be designated a Cardholder or Billing Official to the PARC or Director of Contracting (DOC). The memorandum will state the reasons why the person needs the card. The DOC will approve or deny the delegation of procurement authority to the cardholder.

Once the decision has been made to approve the nomination, the Agency/Organization Program Coordinator (A/OPC) will contact the individual to schedule the appropriate training. Before the card can be issued, the nominated individual must complete this course, pass the exam and notify the A/OPC of the results. The A/OPC will prepare and issue a Delegation of Authority to each Cardholder/Billing Official.

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### Account Maintenance.

Any increase to cardholder monthly or office purchase limits must be coordinated between the cardholder's Division Chief and the Resource Manager.

#### *Increasing Monthly Limits.*

To increase a cardholder's 30 day (monthly) limit, the Division Chief shall forward a written request to the A/OPC that includes:

- The cardholder's and billing official's name, e-mail, and official mailing address.
- The cardholder's revised monthly limit.

#### *Increasing Office Limits*

To increase office limits, the Division Chief must submit a written request to the A/OPC. This written request must include:

- The cardholder's and billing official's name, e-mail, and official mailing address.
- The cardholder's revised office limit.

#### *Changing a Cardholder from one Billing Official to another.*

Transferring a cardholder from one Billing Official to another is a process that requires several steps administered by the A/OPC. This process is initiated by a written request from the Division Chief to the A/OPC and may take several days to complete.

### *Account Termination*

Cardholder accounts may be terminated by written request from the Division Chief to the A/OPC. Billing Official accounts may be terminated in the same manner. However, termination of BO accounts will also result in the termination of all cardholder accounts assigned to them.

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### The GPC Players

#### *1. The Market Place*

Vendor – Merchant which provides commercial goods and services. (May also include other Government agencies).

## 2. *Your Agency/Organization*

### a. Division/Office Chief will:

- Recommend to the A/OPC the names of personnel to be designated as cardholders and billing officials within their organization.
- Establish the monthly and office limits in coordination with Resource Management.
- Be responsible for notifying the A/OPC when naming or removing cardholders and billing officials, transferring cardholders between billing officials or changing any of the established monetary limits.
- Be diligent in his/her selection of cardholders and billing officials to ensure they have adequate time to carry out their responsibilities. Billing officials shall not be assigned responsibility for more cardholders than it is possible for them to 100% verification of purchases/payments.
- Include billing official and cardholder duties in the performance standards of individuals delegated this authority.

- b. The Billing/Certifying Official is an individual who has responsibility for one or more Government purchase card cardholders. The BO may be the cardholder's immediate supervisor or a higher level official, but agencies must minimize conflict of interest when appointing BOs. For example, BOs should not be hand receipt holders for items purchased by their cardholders. Billing Officials are pecuniarily liable for purchases they certify for payment which may later be determined illegal (DODFMR Vol. 5, Chapter 33, Para 330303).

The BO must also:

- Certify payments for purchases made prior to the Billing Official appointment.
  - Ensure the cardholder follows all required policies and procedures regarding purchases with the Government Purchase Card.
  - Ensure that the billing statement is date stamped upon receipt, a complete and legible accounting classification appears on the face of the billing statement, the signed billing statement arrives in DFAS by the 15<sup>th</sup> calendar day following receipt.
  - Retain the original cardholder's Statement of Account and copies of the certified Billing Statement for a period of three years.
  - Complete a SF 450, Financial Disclosure Report annually if they certify purchases exceeding the small purchase threshold (currently \$100,000) in a 12 month period using the Government Purchase Card.
  - Notify the A/OPC prior to leaving his or her position.
- c. Cardholders, by regulation, are "Accountable Officials" responsible for attesting to the accuracy of information and data they provide to a Billing Official in support of a Government Purchase Card purchase. Cardholders are pecuniarily liable for erroneous payments that result from information, data, or service, including designation of the proper appropriation or other funds, they provide to a Billing Official. (Purchase Card Reengineering Implementation Memo #1, Change 1, 11/20/98).

Cardholders hold a public trust and must meet the highest ethical standards. Cardholders shall:

- Ensure the Purchase Card is used for official government purposes only.
- Safeguard the Purchase card and account number at all times.
- Ensure proper documentation, such as written request, funding availability, purchase log, local purchase authority, and property book procedures are followed, as appropriate.
- Check mandatory sources of supply prior to initiating purchases. (See "Controls and Procedures" section).
- Ensure purchase is consistent with IAW policies and procedures for the Government Purchase Card Program.
- Purchase is within the cardholder's single purchase limit.
- Cardholders are responsible for informing the vendor that billing cannot occur until the item(s) are shipped and/or delivered.
- Ensure that Statement of Account is completed, and hand carried to the Billing Official along with all backup documentation to allow timely certification of the Billing Statement.
- Complete a SF 450, Financial Disclosure Report annually if they make purchases exceeding the small purchase threshold (currently \$100,000) in a 12 month period using the Government purchase card.
- Notify their A/OPCs before they leave and dispose of their purchase card in accordance with local procedures.

### *3. Procurement & Finance Offices*

- a. The Agency/Organization Program Coordinator (A/OPC) is a Government employee designated by the PARC and/or DOC to provide complete oversight of the Government Purchase Card program.

The A/OPC:

- Is located in the Contracting Office.
- Maintains a liaison with the U.S. Bank, acting as a point of contact to discuss any matters that may arise due to Government credit card use.
- Receives and processes nominations from either the PARC or DOC, conducts training, prepares policy and guidance, prepares delegation of authority memoranda to appoint cardholders and billing officials.
- Changes dollar thresholds, cancels cards and performs audit reviews. This individual is also authorized to revoke any credit card and recommend termination of any cardholder/approving official from the program.
- Shall serve as the purchase card focal point at each activity.
- Shall be the liaison between the activity, U.S. Bank, acting as a point of contact to discuss any matters that may arise due to Government credit card use.
- Will prepare applications for billing officials and forward them to U.S. Bank.
- Will also provide written or electronic confirmation of all card cancellations to U.S. Bank.

The A/OPC must appoint new billing officials prior to the departure of existing billing officials.

A/OPCs are responsible to ensure that cardholders and billing officials are notified by letter of designation apprising them of his or her pecuniary liability for erroneous payments that results from the negligent performance of their duties. (DODFMR Vol. 5, Chapter 33, para 330505).

- b. Resource Manager – Individual responsible for providing accounting in support of Government Purchase Card purchases.
- c. Defense Finance & Accounting Service (DFAS) – Organization responsible for making payments to U.S. Bank against Government Purchase Card statements of account.

#### 4. Card/Bank Services

- a. U.S. Bank provides credit for all Government Purchase Card charges. The U.S. Bank produces and disseminates monthly bank statements and investigates all disputes.

According to the terms of the General Services Administration (GSA) contract with U.S. Bank, the U.S. Government is required to pay the bank for purchases when a cardholder uses his card for fraud. The money will then be collected from the responsible individual by the U.S. Government.

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#### Responsibilities of Billing Officials (BOs)

##### *Billing Official Account Suspensions*

It is DoD policy to pay its invoices within the billing cycle. U.S. Bank will suspend accounts when they go 60 days past due (90 days past the billing date). Once a Billing Official's account is suspended, all cardholders reporting to the same BO will also be suspended. This means, for example, that if a BO certifies for 5 cardholders, and one cardholder's account is delinquent, accounts will be suspended for all 5 cardholders.

Before suspension, U.S. Bank will notify BOs and A/OPCs of the pending suspension. The accounts will remain suspended until brought up to date by reconciling and paying outstanding invoices. At that time, accounts will automatically be reinstated. Reinstatement of suspended accounts shall incur a reinstatement fee of \$25.00.

Accounts suspended ore than twice in a twelve month period will be cancelled.

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#### Rights of Billing Officials (BOs)

For DOD, the Billing Official (BO) also acts as the Certifying Official. The BO is responsible to ensure that transactions of individual cardholders meet the legal requirements for authorized purchase card transactions, that the facts presented in the cardholder

documentation are complete and accurate, and that adequate documentation is available for individual transactions. The Billing Official will be designated by issuance of a letter of appointment and completion of a signature card (DD 577).

BOs are insurers of the public funds and are excusable only for losses due to acts of God or the public enemy. BOs are, however, able to seek relief from DFAS or the Comptroller General, per the DOD Financial Management Regulations and the law:

- So long as the payment is based on official records and the BO could not have been reasonably expected to discover the correct information; or
- The payment was made in good faith, was not prohibited by law, and the Government received value for the payment. In addition, diligent collection actions must be taken for relief to be granted.

BOs have the responsibility to know the policy concerning what is prohibited from Government Purchase Card purchases and what is allowable for purchases. Ignorance of applicable law or regulation is not an acceptable excuse for avoiding pecuniary liability.

BOs have the right to participate in any audit or investigation of purchases for which they have certified payment.

BOs have the right to request relief from liability from DFAS or the Comptroller General, depending upon the characterization of the loss. Specific requirements for request for relief are covered in the DOD Financial Management Regulation (DOD 7000.1 4-R), Volume 5, Chapter 1, Section 010402.

BOs have the right to require that cardholders under their jurisdiction obtain the BO's approval prior to making any purchase. This requirement should be put in writing. A BO who is not a supervisor may recommend to the cardholder's supervisor that disciplinary action be taken against the cardholder if s/he fails to follow the BO's requirement.

BOs have the right (and the duty) to seek guidance from Government Purchase Card Agency/Organization Program Coordinators, their legal office and others before approving a purchase if they have any doubt about its propriety.

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## Module 3

### Unauthorized Use

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#### *General Prohibitions*

- Split Purchases
- Purchase of non-year 2000 (Y2K) compliant ADPE
- Payment for unratified actions unless the files are properly annotated and the ratification is properly documented in accordance with FAR 1.602-3.
- Personal Use

- Items or services that cannot be purchased with appropriated funds, e.g. gifts and/or mementos.

The Government Purchase Card is used to purchase the same types of things one would normally buy for the Government with appropriated funds. You may not purchase any type of goods or services other than those you would normally purchase through your contracting office.

There are several restrictions that you must observe when using the Government Purchase Card. Many of these restrictions, such as the prohibition against split purchases, apply to contracts as well. Others, like the prohibition against making purchases and returning them to the vendor for cash or vendor credit slips, are unique to the Government Purchase Card.

Two of the prohibitions have certain unique exceptions. Normally, gifts and mementos should be purchased with employees' own money. However, if they will be used for official functions they may sometimes be purchased with the Government Purchase Card.

If you purchase food when you are TDY, you should pay for it with your Government travel card, not your Government Purchase Card. Other travel-related expenses, such as lodging and rental cars, should also be paid for using your Government travel card. Cash advances for official travel should also be obtained with your Government travel card.

However, there are certain limited circumstances when you use your Government Purchase Card. An example would be when you rent a hotel conference facility for official purposes. You should consult with legal counsel before using the Government Purchase Card to purchase food, hotel facilities, any other travel related expenses or gifts or mementos.

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Unauthorized Use (cont'd)

#### *Government Purchase Card Card Prohibitions*

- Purchases by non-trained individuals
- Making purchases & returning them to vendor for cash or vendor credit slips – (credit must be issued against same card on which purchase was made)
- Purchases by contractors. Contractors must obtain credit cards directly from the bank, subject to the approval of the Agency/Organization Program Coordinator.
- Purchases made by individuals other than the authorized cardholder
- Rental or lease of land or building on a long-term basis
- Purchases of airline, bus or travel related expenses
- Cash advances

#### *Limited Exceptions*

- Gifts or mementos
- Purchases of food, drinks, lodging, and travel costs.

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### *Splitting Purchases*

You may not split purchases in order to stay below the single purchase limit. This is a violation of the Federal Acquisition Regulation!

You may purchase multiple items as long as the aggregate is below your single purchase limit.

It should be understood that neither multiple funding sources nor unrelated projects/requesters justify the use of the credit card when requirements in hand at a given time, that are obtainable from a common vendor, exceed the single purchase limitation. These larger requirements should be forwarded to the Procurement Office for purchase.

A split purchase occurs when you knowingly separate a purchase to keep it below your single purchase limit. When you receive a request for purchase and it exceeds the single purchase limit of \$2,500, you must submit it to the DCO for purchase. **DO NOT SPLIT REQUIREMENTS TO STAY WITHIN THE SINGLE PURCHASE LIMIT! THIS PRACTICE IS PROHIBITED!**

Split purchases are a violation of the Federal Acquisition Regulation and specifically prohibited.

### *Definitions of Split Purchases*

- a. A single cardholder making multiple purchases from the same vendor on the same day, the total of which exceeds the single purchase limit.
- b. A single cardholder purchasing the same/similar item(s) from multiple vendors on the same day, the total of which exceeds the single purchase limit.
- c. A single cardholder making multiple purchases of similar items from the same or multiple vendors in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.
- d. Multiple cardholders under the same supervision/approving official purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.

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### *Identifying and Reporting Fraud*

It is your duty as a Government employee to report all suspected instances of fraud to the appropriate authorities.

- You should dispute any purchases you believe to be fraudulent during monthly reconciliation.
- The Cardholder must also report cases of fraud to U.S. Bank, your local procurement fraud advisor, and you're A/OPC.
- You should report all cases of suspected fraud immediately to all the above.

Government Purchase Card holders should be on the lookout for contractors committing fraud. Examples could include billing for items not ordered or delivered, or delivering non-

conforming items. "Brokering" is a kind of contractor fraud. "Brokering" is when a merchant gets another merchant to swipe a credit card for him. Cardholders won't recognize the charges because they didn't purchase the product at that store.

Billing officials should examine purchase documentation for unauthorized purchases by cardholders as well as possible contractor fraud before certifying invoices for payment.

If you suspect fraud on one of your Government Purchase Card accounts, you should immediately contact your local procurement fraud advisor in your legal office, the bank, and you're A/OPC. You are also advised to contact the Criminal Investigation Command (CIC). The HQ AMC point of contact in the CIC is Roger Anderberg, DSN 767 9454. He has volunteered to assist you with questions and provide names and phone numbers.

All GPC activity is subject to fraud detection oversight by the Operation Mongoose Fraud Detection Unit of the Department of Defense. Operation Mongoose is an electronic monitoring system in use for detecting and reporting potential fraud, waste and/or abuse of all GPC activity.

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### *Separating Government Purchase Card Roles and Responsibilities*

- Cardholder
- Billing Official
- Agency/Organization Program Coordinator
- Disbursing Officials
- Hand Receipt Holders
- Accommodation Check Holders

One of the methods of internal controls for the use of the purchase cards is separating various functions so no one person has multiple responsibilities, to the extent possible.

Cardholders generally decide what supply or service to purchase with the Government Purchase Card. Division/Office Chiefs in conjunction with Resource Management establish limits on the use of the card by the cardholders. Additionally, Billing Officials certify payments of invoices for purchases made by the Cardholders.

These requirements exist to separate pre-authorizing, recording, payment certification, delivery receipt functions, and hand receipt holder, to the extent possible. If, in limited cases, an individual serves dual roles, additional alternative controls shall be established to safeguard assets. These controls would vary according to the activity's structure. The idea is risk management vs. Risk avoidance.

A Government Purchase card credit cardholder may not also be an accommodation check holder.

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## **Module 4**

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## Controls and Procedures

*Purchase Flow*

- Obtain Requirement
- Ensure fund are available
- Ensure supplies are available
- Ensure all approvals are obtained
- Make the purchase
- Log the Purchase
- Reconcile Monthly Statement – Dispute?
- Forward Monthly Statement & Log to Billing Official
- Billing Official Reconciles

The Government Purchase Card significantly streamlines the acquisition process, saving you both time and expense. With the easy steps indicated in the chart above, you can make a purchase in a matter of days instead of weeks or months.

The process is similar to the one you follow when you use your own personal credit card. Government unique steps in the Government Purchase Card process help to ensure that goods and services acquired are for official Government use only.

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## Making Micro-Purchases with the Government Purchase Card

- All types of supplies and services equal to or less than \$2,500.

The cost of these supplies or services must not exceed \$2,500 in the aggregate and no single purchase may exceed \$2,500.

- Construction projects valued at \$2,000 or less (see special approvals req'd)

Construction up to \$2,000 may be purchased with approval from your local installation Department of Public Works, for example.

- Flexible, paperless, purchase methods: telephonic, over the counter, via internet.

The Government Purchase Card may be used to purchase a wide variety of goods and services. You may use it to make purchases from government sources of supply, such as the GSA Advantage program, as well as commercial sources of supplies or services.

- Immediate delivery preferred.

It is best if the cardholder purchases supplies or services which are immediately available for delivery. Otherwise, they must be delivered within the credit card's billing cycle.

WARNING: Local and command-wide policy may impose restrictions on purchases made with the Government Purchase Card.

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#### Making Micro-Purchases with the Government Purchase Card (cont'd)

- Know your dollar limits.

**SINGLE PURCHASE LIMIT** – For most cardholders, your single purchase limit will not exceed \$2,500. You must ensure that making a purchase does not exceed your monthly purchase limit.

**MONTHLY LIMIT** – The monthly limit is a budgetary limit assigned by the Division/Office Chief and represents a total of all purchase limits in a single office. If you are authorized to make \$25,000 worth of purchases per month, the Bank will not authorize any purchases that will exceed your cumulative monthly purchase limit. The Division/Office Chief must coordinate with the organization's Resource Management Office when determining a monthly limit. The total dollar value of purchases in a billing cycle should not exceed the monthly purchase limit set by the Division/Office Chief.

**OFFICE LIMIT** – The maximum dollar amount that can be spent by all cardholders rolling up to a given Billing Official for a specific month.

- Ensure funds are available prior to making purchases.

Cardholders are responsible for ensuring that funds are reserved to pay for micro-purchases. The purchase card purchase request requires a reservation of funds prior to actual purchase. The purchase cardholder must comply with provisions established by the cardholder's Billing Official and the Resource Management office procedures for fund control prior to actual purchase.

Instead of creating and citing unique accounting classification for each purchase card micro-purchase, funds may be reserved in advance in the form of bulk commitments. These commitments, referred to as bulk funds, are established by the cognizant Resource Manager. Bulk funds may be assigned as a single line of accounting to each cardholder account to cover anticipated purchase card purchases for a specified periods. See Federal Acquisition Regulation (FAR) 13.101(b)(4).

The reservation of bulk funds requires cardholder action prior to actual purchase card purchase. The cardholder must ensure compliance with local fund control procedures prior to purchase card purchase.

Whether or not bulk funds are reserved, you, the cardholder, must record your purchases to ensure accountability for both funding and micro-purchases in the Purchase Log. Keep in mind that you have no overdraft protection under the purchase card program.

- Determine if any special approvals are required:

- GO/SES Approval

There may be situations where a vendor does not accept credit cards. A case in point may be, for example, where a customer requires the services of an instructor, but the instructor does not accept use of a Government Purchase Card. Unless the vendor is a verified sole source, it is the responsibility of the cardholder to find a source that accepts the Government Purchase Card.

In the case where use of the Government Purchase Card is not possible, a written determination by a General Officer or member of the Senior Executive Service (SES) is required for any type of award, order or purchase valued at or below the \$2,500 micro-purchase threshold that does not use the Government Purchase Card.

Use of a Government Accommodation Check in lieu of using the Government Purchase Card is an excellent solution to resolve this problem. A discussion on Accommodation Checks is available in the "Efficiencies" section.

If your activity does not have a resident General Officer or SES, the authority to make such a determination may be delegated to the level of the senior local Commander or Director. If this is the case at your organization, contact you're A/OPC for further guidance.

- Special Approval

All appropriate approvals must be obtained prior to purchasing the following items:

- Chemicals/Hazardous Materials
- Duplicating Equipment
- Audio/Visual Equipment
- APD Equipment
- Construction up to \$2000
- Books/Subscriptions
- Cellular Telephones
- Sustainment Items, i.e., weapons, repair parts, ammunition

Normally procedures for obtaining these approvals are contained in the appropriate agency SOP. When acquiring accountable property all applicable property regulations will be followed. Currently the accountable dollar threshold is \$300 at some locations and \$2,500 at others. Check with your local Agency/Organization Program Coordinators.

Pilferable items such as cellular telephones are accountable to the Logistics Property Book regardless of dollar value.

See "Efficiencies" section for additional information about purchasing sustainment items, also known as material managed items.

- ADPE

Approval must be obtained from the local Directorate of Information management (DOIM) for purchase of any ADPE.

Automatic Data Processing Equipment items include:

- Hardware – such as, hard drives, laptops, and keyboards.
  - Software – such as, computer programs.
  - Information Technology (IT) services/support services – Usually purchased under contract by the Contracting Office.
- Cellular Phones

Using the Government Purchase Card to purchase cellular phones and services may only be made subject to compliance with internal organizational procedures governing these purchases. Any cardholders planning to purchase cellular phones and services must first check with their local Directorate of Information Management (DOIM) to determine and comply with local procedures.

Cellular telephones are considered highly pilferable items. They must be logged in your organization's Property Book, under control of the Logistics Office.

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#### Making Micro-Purchases with the Government Purchase Card (cont'd)

Check mandatory sources of supply: Certain supplies or services are designated for purchase from a required source of supply, such as Federal Prison Industries, and NIB/NISH. Once a purchase requirement is identified, several decisions must be made regarding the sources for the supplies or services. Before reaching a decision to use commercially available sources, the cardholder must determine if mandatory sources meet the need. The cardholder must screen the following mandatory sources, *in the following order or priority*, to satisfy the regulatory requirement (see FAR & DFARS Part 8, Required Sources of Supplies and Services, and FAR Subpart 8.001, priorities for Use of Government Supply Sources) In order of priority, the sources are:

- Activity or installation inventories

Activity/installation inventories can be office supplies maintained in your local Self Service Supply Center, or excess items maintained by the local supply community. Your logistics Directorate may assist the cardholder with the decision making process. Also, activity/installation supply organizations will provide a listing of

locally stocked material that is available to BOs and cardholders.

- Federal Prison Industries (UNICOR) <http://www.unicor.gov/>

Federal Prison Industries ("FPI" or its trade name "UNICOR"). Federal agencies are required by law to consider purchase of items manufactured or produced by FPI prior to acquiring those items from commercially available sources. The e-mail address for Customer Service is [custserv@central.unicor.gov](mailto:custserv@central.unicor.gov) and the Customer Service phone number is (800) 827 3168, or FAX (606) 254 9692.

- National Industries for the Blind/Severely Handicapped (NIB/NISH)

Federal agencies are required to buy commodities and services furnished by not-for-profit agencies employing blind and severely handicapped individuals trained under the Javits-Wagner-O'Day Act (JWOD).

JWOD items are generally purchased through distributors, including government agencies such as the General Services Administration and the Defense Logistics Agency. Items available from NIB/NISH include office supplies, medical supplies, plastics, textiles, and industrial products such as paints and cleaners.

On-line browsing and shopping is possible through GSA Advantage at [www.fss.gsa.gov](http://www.fss.gsa.gov).

The Department of Defense Electronic Mall ([www.emall.dla.mil](http://www.emall.dla.mil)) includes military-unique items. JWOD supplies are also available at military base supply centers and SERVMARTS, at selected military installations, and through authorized commercial distributors. Many distributors offer next-day delivery.

More information on these distribution sources is provided on the JWOD site at [www.jwod.gov](http://www.jwod.gov)

There are no waivers to the requirement to buy JWOD program supplies and services. The NIB/NISH Customer Service Hotline is (800) 433 2304.

NIB – <http://www.nib.org> NISH – <http://www.nish.org>

- Wholesale Supply Sources

Approximately 4.8 million items in the DOD wholesale supply system are centrally managed. Organizations routinely requisition the supplies from the assigned inventory manager.

The cardholder is responsible for checking the supply system for availability of managed items. Cardholders may purchase inventory managed items directly from wholesale sources with the Government Purchase Card.

Army customers wanting more information on purchasing wholesale supplies using the Government Purchase Card should contact their local installation contracting office. The Defense Logistics Agency point of contact may be reached at (614) 692

7585 or DSN 850 7585.

- GSA Advantage

Although not a required source of supply, cardholders can also use the "GSA Advantage" catalog on the INTERNET at <http://pub.fss.gsa.gov/Sched/index.html>. This service gives authorized Federal Government users access to thousands of commercially available supplies and services from GSA at the lowest possible prices and has incorporated items from NIB/NISH and UNICOR. Please note that using GSA Advantage does not satisfy the cardholder's responsibility to screen the mandatory sources of supply prior to making a purchase.

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### Emergency Purchases: Walk Through Procedures in Contracting

User prepares purchase request.

Resource management issues fund classification via a DD Fm 1095 or 2110.

Purchase request is handcarried to Contracting Office annotated "emergency purchase"

Contracting Officer complies with regulatory requirements and makes purchase.

Sometimes, a need will arise to purchase supplies or services in response to an emergency. For example, where an office water line may break threatening to seriously damage sensitive electronic equipment. In this case, the customer will probably need the services of an expert plumber to immediately repair the break and prevent damage to the equipment. You need to know what processes are available to the customer to resolve that emergency, particularly when you find out that the cost of those services will exceed your \$2,500 single purchase limit.

Here are two options that may be helpful:

- Every Contracting Office should have "emergency" purchasing procedures established, and should have a point of contact available for such a purpose. The cardholder should be familiar with the emergency procedures and know how to get in touch with the point of contact to assist in properly responding to the emergency. Contact your local Contracting Office or A/OPC for more information.
- You should also know how to get in contact with those cardholders in your organization having a single purchase limit above \$2,500 to respond to emergency situations. When you determine that you cannot purchase the emergency supplies or services because your single purchase limit may be exceeded, you need to be aware of the resources that are available to respond to the emergency.

In any event, splitting the purchase, even when responding to emergency situations, is prohibited.

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### Telephonic/OTC Use Rules for Government Purchase Card Micro-Purchase

The vendor or source for your micro-purchase must be selected impartially and purchases must be distributed equally, meaning you must not continually purchase from the same vendor, but rotate your sources.

#### Ask the Vendors:

- *If they accept Government Purchase Card.*

Do they accept the Government Purchase Card. It's best to ask this up front so you find out easily before you or the vendor waste much time.

- *If the item(s) are immediately available.*

Next ask if the items or services you're interested in are immediately available. As a general rule, items purchased with the Government Purchase Card should be delivered within the billing cycle (30 days).

- *For complete pricing and delivery information, to include applicable discounts*

Then you want to find out pricing information to include quantity, or other discounts, if applicable.

#### Inform the Vendor:

- *All purchases are tax exempt.*

When you have decided on the item or service you will purchase, you must make sure the vendor understands that the purchases are for official United States Government use. Most states exempt purchases made by the federal government from state and local taxes. The first four numbers of the card are tax exempt numbers. If the vendor requires proof, contact the A/OPC for a tax exempt memorandum from that particular state.

- *All items must be delivered within 30 days*

If you're ordering by phone, all items must be delivered within 30 days of the order.

- *They do not bill until items are shipped.*

Try to get all the items delivered in one delivery. They should not bill the Government until all the items are shipped.

Inform the vendor that the packing slip should contain the Cardholder name and office symbol; Building #, room #, street address, city, and state. Cardholder's telephone number, the term "credit card", and a breakdown of the items purchased.

## Telephonic/OTC Use Rules for Government Purchase Card Micro-Purchase (cont'd)

## Over-the-Counter purchases:

- Always obtain a customer copy of the charge slip.
- Charge slip is an accountable document when attached to the Statement of Account.

## Telephonic purchases:

- Maintain a log of purchases made.
- Retain all invoices.

In Either Case: Use documentation to verify monthly statement.

The best rule to follow when making a purchase with your Government Purchase Card is to document your actions in the Purchase Card Management System (PCMS), or use the manual Purchase Log. A sample Purchase Log is located in the section entitled "Purchase Log and Purchase Card Management System." Documenting your actions will help explain the circumstances and the actions you took to complete the purchase. All documentation of over-the-counter or telephone purchases shall be retained as proof of purchase to be used for certification of purchases listed on the Cardholder Statement of Account.

\*The purchase card management system will be made available only to AMC activities using AMC accounting systems (SOMARDS and/or SIFFS).

Page 4-8

## What To Do If Your Card Is Lost or Stolen

- a. Immediately report a stolen or lost purchase card to your Agency/Organization Program Coordinator, Billing Official, and U.S. Bank.
- b. The bank phone number to call in case of lost/stolen cards is 1-888-99-IMPAC (1-888-994-6722) which is listed on the statement of account and billing statement. However, depending on the time of the loss within the billing cycle, transactions may still appear on the statement of account and billing statement.
- c. Document the name of the purchase card company representative, phone number, date, and time reported.
- d. Determine the last time you saw your card, where you were, and any other pertinent circumstances. Document this information.
- e. Determine when you last used your card, the transaction, vendor, price, and any other pertinent information. Document this information and annotate your purchase log.
- f. Cooperate with the bank representative and you're A/OPC investigating the matter.
- g. In most cases, you will receive a new card and account number from the bank within a few days.

U.S. Bank 1-888-994-6722

Page 4-9

## New Cards and Old Records

Cards are normally reissued every 24 months to each Cardholder. This is automatic unless the A/OPC halts reissue.

### *The Bank*

The Bank will maintain the records of all transactions for 6 years from the date of the transaction. The Bank will provide requested information concerning individual transactions within 45 working days of a request.

### *The Billing Official Shall Maintain Records for 3 Years*

The billing official shall ensure that all Government Purchase Card records are kept for a period of 6 years, 3 months. Records include:

- Cardholder Statement or Questioned Item Form
- Vendor receipts
- Packaging Slips
- Copy of certified billing statement

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## **Module 5**

Page 5-1

### **The Billing Cycle**

Billing Cycle closes on the 23<sup>rd</sup> day of month (Day 1)

Cardholder reconciles.....NLT Day 5

### *Statement of Account.*

After the Cardholder makes a purchase, information about the Cardholder and the purchase is electronically forwarded to the U.S. Bank for processing. U.S. Bank receives this information and posts the transactions to the appropriate account number. A Cardholder Statement of Account is generated and sent to the Cardholder's business address monthly.

The U.S. Bank will distribute monthly statements within five working days at the end of the billing cycle to the following:

Cardholder – All purchases, credits and other transaction data that the cardholder has made in the 30-day billing cycle. This document is called the Cardholder Statement of Account (SOA).

Billing Official – The official invoice that reflects the transaction activity of all cardholders for which the Billing Official has certifying authority. This document is called the Billing Statement.

At the end of each monthly billing cycle, the cardholder shall reconcile all information contained on the cardholder's Statement of Account (SOA). The cardholder shall:

- Verify the accuracy of each purchase listed on the SOA;
  - Provide a complete description of each item listed on the SOA;
  - Enter the appropriate funding identification;
  - Attach all supporting documentation, sign the SOA; and
  - Forward the entire package to the Billing Official for certification
- In addition, the Cardholder must, either manually or electronically, sign a certification statement and include it with the Statement of Account to be forwarded to the Billing Official for Certification. The certification statement is included at the end of this module.

The cardholder must reconcile the SOA within five days after its receipt.

If you are aware that you will not be available to promptly reconcile your SAO, advise your Billing Official and forward all purchase receipts and credit vouchers to your Billing Official before you depart.

- Billing Official certifies for payment.....NLT Day 10

The Billing Official collects all Statements of Account from all their cardholders. The Billing Official reviews each Statement of Account and validates and certifies them. S/he reviews the statements to ensure all supporting documentation is present and all items were received. The Billing Official then signs the Statement of Account.

The Billing Official also receives a Billing Statement at the end of each billing period. This statement includes all the purchases made their cardholders during the billing period itemized by date and vendor. The Billing Official must date stamp the Billing Statement when it is received. This is considered the official invoice for payment. The rules of the Prompt Payment Act apply to this invoice.

The Billing Official ensures that the billing statement is forwarded to DFAS in accordance with local procedures for payment. It is essential that the Billing Official forwards the statements to DFAS (or Resource Management, if required by your organization) in a timely manner. Failure to do so may cause the Government to pay interest penalties to U.S. Bank.

In addition, the Billing Official must, either manually or electronically, sign a certification statement and include it with the Billing Statement to be forwarded to the paying office for payment. The certification statement is included at the end of this module.

NOTE: According to the terms of the GSA contract the Government must pay the bank if a Cardholder fraudulently uses his/her Government Purchase Card.

- Document forward to RM.....NLT Day 13 (if applicable)
- Receipt by DFAS.....NLT Day 15

If the billing account statement is forwarded to DFAS late, then a late penalty fee is assessed to the BO account and will be paid from unit budget.

The Billing Statement must be received by the Defense Finance and Accounting Service (DFAS) within 15 days after receipt by the Billing Official.

If the Billing Official does not date stamp the billing statement, DFAS will use the billing statement date as the assumed date of receipt for purposes of determining late payment penalties.

Page 5-2

#### Structure of Government Purchase Card Account Numbers

ACTIVITY	LEVEL	ACCOUNT NUMBER
GSA	Level 1	471163
DOD	Level 2	00021
AMC	Level 3	00033
MSC & Lower Level Activities	Level 4	XXXXXX
Billing Official Numbers	Level 5	XXXXXX

You need to understand this structure to locate your accounts on delinquency and suspension notices provided by DoD and SARDA.

Page 5-3

#### Certification Information

Purchase Card Certifying Officer (generates EDI 810). This certification **MUST** accompany (electronically or paper) every invoice sent to the payment office for payment.

"Pursuant to the authority vested in me, I certify that this invoice (billing statement) is correct and proper for payment, except as may be noted herein or on supporting documents."

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Authorized Certifying Officer Signature

And, where Approving Official is not Certifying Official the Approving Official MUST certify (electronically or paper) the below statement. The statement is not forwarded to the payment office.

"I certify that the items listed herein are correct and proper for payment from the appropriations of other funds designated thereon or on supporting vouchers, and that be noted herein or on supporting documents."

---

Authorized Approving Official Signature

Page 5-4

Certificate Information

Cardholder (as Accountable Official)

"I certify that, except as may be noted herein or on supporting documents, the purchases and amounts listed on this account statement:

1. Are correct and required to fulfill mission requirements of my organization.
2. Do not exceed spending limits approved by the Resource Manager.
3. Are not for my personal use or the personal use of the receiving individual.
4. Are not items that have been specifically prohibited by statute, by regulation, by contract or by my organization.
5. Have not been split into smaller segments to avoid dollar limitations.

"All purchase card transactions are subjected to DOD's Operation Mongoose to identify instances of potential fraud, waste and/or abuse."

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Authorized Cardholder Signature

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## Module 6

Disputes

Page 6-1

Dispute Procedures

A dispute is any billing discrepancy with the vendor that cannot be resolved between the cardholder and the vendor. Some charges, such as taxes or shipping and handling charges,

cannot be disputed.

Cardholders have the responsibility to:

- Resolve all discrepancies and disputes.
- Seek either replacement or credit of the item as soon as possible, and
- Initiate formal dispute procedures, when necessary.

The most common causes of disputes may include:

- **Defective Items.** If items purchased with the Government Purchase Card are found to be defective, the cardholder must obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct the faulty item, then the purchase of the item must be formally disputed.
- **Unauthorized Purchases.** If a cardholder receives a Statement of Account that lists an unauthorized or incorrect charge, the cardholder must try to resolve the charge with the vendor. After the cardholder makes a reasonable attempt to resolve the situation with the vendor but the situation cannot be resolved the transaction must be paid and formally disputed with the bank. Suspected FRAUD is the only exception to this policy (Pay & Confirm).
- **Items Billed but Not Received.** The most common reason for cardholder disputes involves transactions for items billed but not received. Sometimes the item that you charged may not be received until the next billing cycle. The cardholder should annotate the statement of account that the item has been ordered, but not received. If the item does not arrive by the time the next Statement of Account is received, the transaction must be formally disputed.
- **Merchandise Returned.** Your account has been charged for the transaction, but you have documented evidence that the merchandise has since been returned.
- **Duplicate Processing.** The transaction represents a multiple billing to your account and only one charge from the merchant has been authorized.
- **The charge is not recognized.**

Page 6-2

The Cardholder Statement of Questioned Items Form (CSQI)

*Statement of questioned item form must be completed by cardholder!*

For each formally disputed transaction, the cardholder must:

- Complete the "Cardholder Statement of Questioned Item" form;
- Attach the vendor invoices to the CSQI form; and
- Forward the CSQI form, vendor invoices and Cardholder Statement of Account to the Billing Official.

The cardholder must ensure that the following information on the CSQI form is accurate:

- Account Number is the number on the face of your Government Purchase Card
- Reference Number is the 6 digit reference number from the Cardholder Statement of Account for the transaction in dispute.

The CSQI must be mailed or faxed to U.S. Bank Government Purchase Card Services along with a copy of the Cardholder Statement of Account after 45 days but not later than 60 days after the date of the transaction.

The U.S. Bank will not accept the dispute of any item if the CSQI is not received by the U.S. Bank within 60 days after the date of the transaction.

Page 6-3

☐ header

## I.M.P.A.C. ® CARDHOLDER STATEMENT OF QUESTIONED ITEM

(Please print or type in black ink.)

CARDHOLDER NAME (please print or type) ACCOUNT NUMBER

CARDHOLDER SIGNATURE

The transaction in question as shown on Statement of Account:

Transaction	Date	Reference Number	Merchant	Amount	Statement Date
_____	_____	_____	_____	_____	_____

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please call us toll-free at 1-888-994-6722. We will be more than happy to advise you on this matter.

### 1. UNAUTHORIZED MAIL OR PHONE ORDER

☐ I have not authorized this charge to my account. I have not ordered merchandise by phone or mail or received any goods or services.

### 2. DUPLICATE PROCESSING - THE DATE OF THE FIRST TRANSACTION WAS \_\_\_\_\_.

☐ The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

### 3. MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ \_\_\_\_\_.

☐ My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. (Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)



☐ My account has been charged for the above listed transaction. I have contacted the merchant on cancelled the order. I will refuse delivery should the merchandise still be received.

4. MERCHANDISE RETURNED IN THE AMOUNT OF \$ \_\_\_\_\_.

☐ My account has been charged for the above listed transaction, but the merchandise has since been returned.

\*Enclosed is a copy of my postal or UPS receipt. \*

5. CREDIT NOT RECEIVED

☐ I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed.

(Please provide a copy of this voucher with this correspondence.)

6. ALTERATION OF AMOUNT

☐ The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ \_\_\_\_\_.

7. INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE

☐ I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.

8. COPY REQUEST

☐ I recognize this charge, but need a copy of the sales draft for my records.

9. SERVICE NOT RECEIVED

☐ I have been billed for this transaction, however, the merchant was unable to provide the services.

☐ Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, or another credit card. Enclosed is my receipt, canceled check (front or back), copy of credit card statement, or applicable documentation demonstrating that payment was made by another means.

10. NOT AS DESCRIBED

☐ (Cardholder must specify what goods, services, or other things of value were received.) The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint.)

11. If none of the above reasons apply please describe the situation: \_\_\_\_\_

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement.)

MAIL TO: I.M.P.A.C. Card Services, P.O. Box 6347, Fargo, ND 58125-6347

FAX TO: (701) 461-3466

## More on Dispute Procedures

- Cardholders responsibility to track each disputed item to ensure dispute is finally validated or cleared.

Cardholders should monitor the bottom portion of their monthly statement of account. There is a box that reads "Total Balance in Dispute". If you have submitted a dispute and this box is empty, one of two things could have occurred. The dispute was received and resolved, or the dispute was never received and initiated by Government Purchase Card. In either case, we suggest a phone call to Government Purchase Card (888) 994 6722 to determine the status of your dispute.

Billing Officials must monitor their billing statements to track all disputed items. This report includes all cardholders under the Billing Official that have active disputes. Generally, if you are not receiving this report, it will be because there are no active disputes for the Billing Official. If you are not receiving this report and you believe you should have active disputes in process, you should contact Government Purchase Card at (888) 992 6722 for assistance.

- Delayed Dispute Procedures

It's the cardholder's responsibility to first attempt to resolve the discrepancy with the vendor. Cardholders are requested to wait 45 days prior to disputing non-receipt of billed items. This waiting period, referred to as the Delayed Dispute Procedure, eliminates the requirement for cardholders to initiate Statements of Questioned Items for items that may be received during the next billing cycle.

By the time you receive your next cardholder statement of account, the item should have been received. If the item has not been received, you must formally dispute the transaction not later than 60 days after the date of the transaction.

The U.S. Bank will not accept the dispute of any item if the CSQI is not received by the U.S. Bank within 60 days after the date of the transaction.

Although this procedure is expected to result in efficiencies for the cardholder, the delayed dispute procedure will require some effort of tracking on the part of the cardholder.

- Pay and Confirm

The Army handles disputed transactions through a "pay and confirm" process. In this process, payment of invoices is made promptly, subject to follow-up verification of receipt and acceptance of goods. The amount in dispute is placed in a pending status while the dispute is researched. While the amount remains part of the balance due, it is suspended from aging (balance that otherwise might be considered past due) until the dispute is

resolved.

If the disputed transaction is resolved in the cardholder's favor, U.S. Bank will issue a credit on the next Cardholder Statement of Account and Billing Statement. If the disputed transaction is resolved in the vendor's favor, your balance remains unchanged. The U.S. Bank will notify you that the dispute has been resolved.

U.S. Bank will:

- Issue temporary credit when a dispute is properly initiated and received.
- Resolve most disputes within 30 days and all disputes within 180 days.
- Notify the cardholder in writing of the dispute resolution.

Page 6-5

### Feedback from Disputes

After the cardholder files a CSQI

1. Bank sends letter to cardholder indicating an investigation has started.
2. Bank sends a letter saying the dispute has been resolved or that the original transaction was valid.
3. If the cardholder disagrees, the letter is sent back indicating a problem remains and the cycle starts over.

After the cardholder files a delayed dispute form....

The cardholder receives a letter from the bank that indicates an investigation is on-going. The bank later send another letter to the cardholder that says either the dispute has been resolved or the bank considers the charge to be a valid transaction. If the cardholder disagrees with the bank, she/he signs the letter indicating so, returns it to the bank and the cycle starts over again.

Any changes (i.e. receipt of item) after the CSQI is filed with the bank should be brought to the attention of U.S. Bank by calling 1-888-994-6722.

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## Module 7

### Forms and Statements

Page 7-1

### Government Purchase Card Forms & Statements

As with any system there is always paperwork.....even in the digital age!

The types of paperwork range from what's required to start an account, to what is used to actually run the program, and finally what is needed for disputes.

- Appointment Letters

MEMORANDUM FOR Commander, U.S. Army (Name of Command)

Attn: (Cardholder name and Office Symbol)

Anytown USA ZIP

SUBJECT: Appointment of Government Purchase Card Cardholder

1. You are hereby appointed as a Cardholder under the General Services Administration (GSA) contract number GS-23F-98002. Your appointment shall become effective as of the date of this memorandum and shall remain effective until (i) expiration of the GSA contract identified above, (ii) you are reassigned, (iii) your employment is terminated, or (iv) your appointment to the Government Purchase Card program is revoked.

2. Authority, Limitations, and Requirements.

- All credit card purchases will be in accordance with Federal Acquisition Regulation (FAR) Part 13, Small Purchase and within the guidelines as set forth with the local procedures of your specific Command, or activity. Your appointment is subject to the use of the method of purchase and to the limitations and requirements stated in AFARS 13.9003, Credit Card Use (which are stated in the AMC Government Purchase Card Tutorial).
- As a cardholder, you have a dollar limitation of \$(fill-in), for a single purchase and your monthly purchases cannot exceed \$(fill-in).

3. Government Ethics Training and Acquisition Reporting Requirements.

- You must receive Government Ethics training yearly in accordance with Regulation 5 C.F.C. 2638 and certify that such training has taken place.
- You shall furnish information required for acquisition reporting purposes in the manner and the time specified within the guidelines of your local procedures.
- As someone involved in spending public funds, you held to high standards of responsibility and accountability. You are cautioned that you may be held pecuniarily liable for improper purchases. That means that if it is determined that you have intentionally misused the Government Purchase Card, you may be held liable for payment. Misuse of the card may also lead to other actions ranging from a reduction in your spending limits to termination of Federal employment and criminal prosecution, depending on the circumstances.

4. Termination of Appointment.

- Your appointment may be revoked at any time by the undersigned authority

or successor. Termination shall be made in writing, except that no written termination of your appointment shall be made upon expiration of the GSA contract made in paragraph 1 above.

- b. Should you be reassigned from your present position or should your employment be terminated while this appointment is in effect, you shall notify Agency/Organization Program Coordinator, (fill in name, office symbol and phone extension), so notification to cancel your card can be instituted.

5. Acknowledgment. The undersigned acknowledges acceptance of this appointment by returning a signed copy of this memorandum to (fill-in name of A/OPC and address).

Johnny B. Goode  
Director of Contracting

Acknowledgment of Acceptance:

\_\_\_\_\_ Date \_\_\_\_\_

=====

MEMORANDUM FOR Commander, US Army (Name of your command or activity)

ATTN: (name, office symbol)

SUBJECT: Appointment of Government Purchase Card Billing Official

1. a. You are hereby appointed as a Government Purchase Card Billing Official under the General Services Administration (GSA) contract GS-23F-98002. Your appointment is effective as of the above date and shall remain in effect until (i) expiration of the GSA contract identified above, (ii) you are reassigned, (iii) your employment is terminated or (iv) your appointment is canceled or revoked.

b. You are appointed as a purchase card Billing Official to: Defense Finance and Accounting Office (fill-in appropriate address).

2. Authority, Limitations, and Requirements.

- a. You are responsible for the verification of purchases made and for acceptance of items and services received by Government Purchase Card cardholder(s) assigned to you.
- b. Monthly, in accordance with local procedures and guidance, you shall verify and certify that all purchases made were necessary and made in accordance with the regulations and policies prescribed in the AMC Government Purchase Card Program Tutorial.
- c. You are authorized to approve and certify purchases up to and including \$fill-

in), which is your office limit.

- d. As a purchase card Billing Official, you will be responsible for certifying payment vouchers and documents for the government Purchase Card, and any contractor invoices covering purchases obtained, with the card.
- e. You must become thoroughly familiar with your responsibilities and accountability. You must acknowledge this appointment and that you have been trained and understand your responsibilities and accountability by signature below. In addition, you must complete DD Form 577, for the disbursing office identified in paragraph 1.b. A signed copy of these documents must be returned to the Agency Organization Program Coordinator (AOPC). For all documents you certify as Billing Official under this appointment must be in the same format as the DD Form 577.

### 3. Government Ethics Training and Acquisition Reporting Requirements.

- a. You must receive yearly, Government Ethics training in accordance with Regulation 5 C.F.R. 2638 and certify that such training has taken place, in accordance with local policy and guidance.
- b. You shall furnish information required for acquisition reporting purposes in the manner and time specified in accordance with local guidance.
- c. As someone involved in certifying the spending of public funds, you are held to high standards of responsibility and accountability. You are cautioned that you may be held pecuniarily liable for improper purchases, which means that if you misuse the authority invested in you the billing official, you may be held liable for the items certified for payment. Misuse of certification may also lead to other actions ranging from a reduction in your office limit to termination of Federal Employment and criminal prosecution, depending on the circumstances.

### 4. Termination of Appointment.

- a. Your appointment may be revoked at any time by the undersigned authority or successor. Termination shall be made in writing, except that no written termination of your appointment shall be made upon expiration of the GSA contract identified in paragraph 1.b.
- b. Should you be reassigned from your present position or should your employment be terminated while this appointment is in effect, you shall promptly notify the AOPC, (fill-in name & office symbol) in writing so that your appointment may be canceled.

5. Acknowledgment. The undersigned acknowledges acceptance of this appointment by returning a signed copy of this memorandum to (fill-in name of AOPC and office symbol).

Johnny B. Goode  
Director of Contracting

Acknowledgment of Acceptance:

\_\_\_\_\_ Date \_\_\_\_\_


- Cardholder Statement of Account – all purchases, credits and other transaction data that the cardholder has made in the 30-day billing cycle.

Reconciliation – At the end of the each monthly billing cycle, the cardholder should reconcile the information on his/her statement by making comparisons to orders placed. Cardholders will fill in the accounting classification that was set up on the current year DD 1262 and the purchase order number in the blank space provided above purchases listed. The cardholder must then sign the statement, attach all supporting documentation and forward to the Billing Official or designated alternate within 5 working days. If the cardholder cannot review the statement at the time that it is received, the Billing Official is responsible for reviewing and certifying the cardholder's statement. The Billing Official will meet with the cardholder upon his/her return to go over the cardholder's statement. It is important that the cardholder check each purchase on the statement to verify the accuracy. If an item has been returned and the credit voucher received, the cardholder will verify that the credit is reflected on the statement. If the purchase or credit does not appear on the next monthly statement, the cardholder or Billing Official will file a CSQI form with the bank.

- Signature Card Forms (DD Form 577).

A purchase card billing officer appointment shall be accomplished by issuance of a letter of appointment and completion of a Signature Card (DD Form 577). The appointment letter and DD Form 577 shall identify the types of payments to be certified. The completed signature card and billing officer appointment letter shall be forwarded through the designated paying office to U.S. Bank.

- Cardholder Statement of Questioned Item.

 header

## I.M.P.A.C. ® CARDHOLDER STATEMENT OF QUESTIONED ITEM

(Please print or type in black ink.)

\_\_\_\_\_  
CARDHOLDER NAME (please print or type)ACCOUNT NUMBER

\_\_\_\_\_  
CARDHOLDER SIGNATURE

The transaction in question as shown on Statement of Account:

Transaction	Date	Reference Number	Merchant	Amount	Statement Date
-------------	------	------------------	----------	--------	----------------

\_\_\_\_\_

Please read carefully each of the following situations and check the one most appropriate to your particular dispute. If you have any questions, please call us toll-free at 1-888-994-6722. We will be more than happy to advise you on this matter.

1. UNAUTHORIZED MAIL OR PHONE ORDER

☐ I have not authorized this charge to my account. I have not ordered merchandise by phone or mail or received any goods or services.

2. DUPLICATE PROCESSING - THE DATE OF THE FIRST TRANSACTION WAS \_\_\_\_\_.

☐ The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

3. MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF \$ \_\_\_\_\_.

☐ My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant but the matter was not resolved. (Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)

☐ My account has been charged for the above listed transaction. I have contacted the merchant on cancelled the order. I will refuse delivery should the merchandise still be received.

4. MERCHANDISE RETURNED IN THE AMOUNT OF \$ \_\_\_\_\_.

☐ My account has been charged for the above listed transaction, but the merchandise has since been returned.

\*Enclosed is a copy of my postal or UPS receipt. \*

5. CREDIT NOT RECEIVED

☐ I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed.

(Please provide a copy of this voucher with this correspondence.)

6. ALTERATION OF AMOUNT

☐ The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ \_\_\_\_\_.

7. INADEQUATE DESCRIPTION/UNRECOGNIZED CHARGE

☐ I do not recognize this charge. Please supply a copy of the sales draft for my review. I understand that when a valid copy is sent to me, a Statement of Questioned Item Form must be provided and will include the copy of the sales draft if a further dispute exists. If a copy of the sales draft cannot be obtained, a credit will appear in my account.

8. COPY REQUEST

☐ I recognize this charge, but need a copy of the sales draft for my records.

9. SERVICE NOT RECEIVED

☐ I have been billed for this transaction, however, the merchant was unable to provide the services.



☐ Paid for by another means. My card number was used to secure this purchase, however final payment was made by check, cash, or another credit card. (Enclosed is my receipt, canceled check (front or back), copy of credit card statement, or applicable documentation demonstrating that payment was made by another means.)

#### 10. NOT AS DESCRIBED

☐ (Cardholder must specify what goods, services, or other things of value were received.) The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must have attempted to return the merchandise and state so in their complaint.)

---

11. If none of the above reasons apply please describe the situation: \_\_\_\_\_

---

(Note: Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper, if necessary, and sign your description statement.)

MAIL TO: I.M.P.A.C. Card Services, P.O. Box 6347, Fargo, ND 58125-6347

FAX TO: (701) 461-3466

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## Module 8

### Efficiencies

Page 8-1

### Government Purchase Card Audit Guide

**Purpose:** To provide Internal Review (IR) Offices background and recommended audit steps to use during audits of the Government Purchase Card Program. Internal Review Offices should use this program, subject to any modifications the local commander deems necessary, during audits of the Government Purchase Card.

**Overall Objective:** The overall objective of the audit is to ensure proper management controls are maintained over the authorization and use of Government Purchase Card and the supplies, services and materials procured with it.

#### Audit Objectives:

- To determine the adequacy of administrative oversight procedures.
- Determine if credit card holders are making authorized purchases and properly accounting for all items received.
- Determine if approving officials adequately review, approve, and certify for payment items purchased by cardholders.
- Evaluate the effectiveness of the paying office.
- Evaluate the implementation of the Management Control Process as it relates to the Government Purchase Card.
- Evaluate administration and control of accommodation check accounts.

## Page 8-2

## Sustainment Items

Sustainment items may only be purchased in accordance with locally established procedures.

Examples of sustainment items are weapons, ammunition and weapon systems parts. Sustainment items are sometimes called "Centrally Managed Items" and "Materiel Managed Items".

Purchasing sustainment items from a commercial source is not a simple matter. The regulation governing the purchase of sustainment items (with and without the use of the Government Purchase Card) is at the DOD Federal Acquisition Regulation Supplement (DFARS) 208.7003-1. The Government Purchase Card card shall not be used to purchase sustainment items without specific approval from the supply system's Integrated Material Manager (IMM).

Before initiating a commercial purchase for sustainment items, a waiver must first be obtained from the IMM for that specific item. The IMM for the particular item you want to purchase may be assigned to the General Services Administration, the Defense Logistics Agency, or the Army Materiel Command. If the IMM has the item available, the item must be obtained from the IMM.

Once the IMM waiver has been obtained, the cardholder must check all mandatory sources of supply (such as GSA, NIB, NISH, UNICOR) prior to making a purchase from a commercial source.

## Page 8-3

## Procedures for Using Accommodation Checks

The most critical issue is that with any check there is the possibility of fraud. Fraud on a check account may involve altered amounts or unauthorized signatures.

*What are accommodation checks?*

- Accommodation checks provide an alternate when government Purchase Cards or travel cards are not feasible.
- Accommodation checks give issuing DOD activities the flexibility to issue low volume and low dollar value payments on-site when purchasing from business/individuals which do not accept credit cards. Upon request by the DOD activity and approval by the DFAS, the DOD activity may adopt Purchase Card Convenience Checks.
- Purchase Card Convenience Checks currently are provided through the GSA contract for government-wide use by the issuing bank – U.S. Bank.

*Is there a charge for using accommodation checks?*

*What is the charge per Government Purchase Card check?*

1.7% of the check amount in the United States

2.0% of the check amount overseas

There are fees for requesting copies of checks, insufficient funds, stop payments, etc.

*How do I get accommodation checks?*

To get started with Government Purchase Card checks, Installation Program Coordinators (IPC) will have to call Ruth Ann Smith at DFAS in Kansas City (816) 926-2774 (DFAS Policy). Ruth will send them the application form(s). The forms will then be completed by the A/OPCs and then returned to Ms. Smith for DFAS certification. Ms. Smith will then send the application and certification to U.S. Bank in Minneapolis for processing.

*Are there restrictions?*

- There can only be one checkbook account per installation
- The procedures for set-up involve DFAS-KC approval prior to issuance
- The account must be a "cardless" account, which means it must not be a current cardholder

*Procedures*

- DOD agency makes request. Deputy Director for Finance at DFAS approves establishment of accommodation check accounts.
- DOD activity may adopt accommodation checks.

Page 8-4

Ordering Against Blanket Purchase Agreement (BPA) Accounts

BPAs are agreements with interested vendors which stipulate clauses required by statute.

Blanket Purchase agreements (BPAs) may be placed with interested vendors for purchases up to \$25,000 when using the Government Purchase Card for payment.

BPAs generally will be restricted to small business in accordance with FAR Part 19.

BPAs may be placed with interested vendors for purchases up to \$25,000. BPAs generally will be restricted to small business in accordance with FAR Part 19. Individual orders up to \$25,000 may be placed orally with the vendor. The method of payment may be stipulated as the Government Purchase Card. The agreements will be signed by the contractors and maintained in the contracting office. Contracting offices will establish a listing of BPAs or other agreements with small business contractors and provide a record of these to cardholders with this authority.

After appropriate training, cardholders may be authorized to orally place orders against the agreements up to \$25,000. Arrangements shall be made with the Contracting Office to assure reporting of contract actions between \$2,500 and \$25,000 on the DD Form 1057. Cardholders may only solicit from vendors which have existing BPA accounts or stipulated

clause agreements. Small businesses requesting to execute an agreement should be referred to the contracting office. Once the agreement is executed, cardholders may solicit from these additional vendors.

Page 8-5

#### Making Payments for Printing Services from Defense Automated Printing Service (DAPS)

##### Benefits of Using the Government Purchase Card...

- No \$ limit when using DAPS
- No card fees or administrative costs
- Makes it easier to monitor your organization's printing activities
- Use with DAPS is Mandatory!
- Decrease in Cost

Since August 1996, the Defense Automated Printing Service (DAPS) has accepted the Government Purchase Card as a method of payment for its services. Effective July 1, 1977, all orders for printing services within the continental United States and Hawaii placed at DAPS must be acquired using the Government Purchase Card as the method of payment.

Customers may telephone the DAPS Customer Service Line at 800-594-3349 for more information about DAPS services, or you're A/OPC for more information about using your Government Purchase Card for DAPS payments. The DAPS headquarters point of contact is Mr. Richard DeNeane 703-767-4269. Accounting inquiries may be directed to Mr. Ron Bishop at 703-607-0741.

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#### Making Government Purchase Card Payments for Training with the DD Form 1556

- Government Purchase Card may be used for up to \$25K for "off-the-shelf" non-government Training!
- DoD Financial Management Regulation vol. 10, Chapter 12, section 120212 authorizes delegated cardholders to procure non-Government training up to \$25K threshold via DD Form 1556
- NO need to compete for training up to \$25K – never has been required

*NOTE: The Government Purchase Card does not replace the DD Form 1556*

With the expansion of the purchase card as a method for payment, all non-government training valued up to \$25,000 using DD Form 1556 must now be paid using the Government Purchase Card.

The Government Purchase Card does not replace the DD Form 1556 or other appropriate training forms as either a procurement or authorization document. No competition is required to obtain training up to \$25,000.

The DOD Financial Management Regulation governing the use of the DD 1556 allows for advance payment if the advance payment is annotated in Section G of the DD 1556. Contact

you're A/OPC to obtain further information regarding payment options for training using the Government Purchase Card.

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## Module 9

### Documenting Purchases

Page 9-1

#### Purchase Documentation

*Over the counter*

Get Receipts!

*Over the phone*

Document Purchase

Save Shipping Documents!

*Use documentation to verify monthly statement*

*Maintain Purchase Log!*

#### Micro Purchase Documentation

Any time a purchase is made using the card whether it is done over the counter or by telephone, a vendor receipt shall be retained as proof of purchase. These documents will later be used to certify the purchases shown on the cardholder's Statement of Account.

A Purchase Log will be kept up to date for auditing purposes either manually or using the Purchase Card Management Systems (PCMS). This is a mandatory requirement.

When a purchase is made over the counter, the cardholder shall obtain the customer copy of the charge slip, which will become the accountable document (make sure all carbons are destroyed).

When making purchases by telephone, the cardholder must document the transaction on the Purchase Log or using the PCMS and attach any shipping documents associated with the order.

Page 9-2

#### Manual Log Sheet

*You have to Log purchases ... Mandatory requirement!*

... even if you don't have an automated system. But, if the PCMS or some other electronic log has been installed, use that to log purchases

You need to set up and maintain purchase logs to document what you've purchased. This is used to check against the monthly bank statement.

This may sound like going a step backward, in this digital age, but if there is not a local automated data system for this purpose, you must log a record of your purchases by hand, if necessary.

The cardholder has the responsibility to maintain the Purchase Log.

See next page for a sample of a manual Purchase Log.

Page 9-3

**BANKCARD WEEKLY OBLIGATION RECORD**

WEEK OF \_\_\_\_\_ TO \_\_\_\_\_

CARDHOLDER NAME: \_\_\_\_\_ EXTENSION: \_\_\_\_\_

DATE	REQUEST NUMBER	JOB ORDER NUMBER	EOR	TOTAL AMOUNT	REQUESTER	DESCRIPTION	VENDOR NAME
				\$			

(To be used ONLY when an automated purchase card management system is not available)

## Module 10

### Ethics

#### Page 10-1

#### Ethics and Empowerment

Empowerment flowing to cardholders ...

...brings responsibilities...

... and therefore the need to be aware of ethics and standards of conduct

The purchase card empowers the user with a great ability to streamline the acquisition process and satisfy the needs of the job in an expeditious and efficient manner. As with all empowerment, it brings a responsibility to act ethically and within the constraints of laws and regulations. In the past, the ability to obligate Government funds was reserved for a very few highly trained procurement professionals. These people were schooled in law and regulation regarding the responsibilities inherent in spending taxpayer money. With the explosion of the purchase card usage many nonprocurement people now have been empowered to obligate government funds.

#### Page 10-2

#### Regulations & Laws

- Title 33 USC Sections 3527 and 3528

DoD Directive 7000.15, DoD Accountable Officials and Certifying Officers

Federal laws and regulations place restrictions on the actions of government personnel. Intentional use of the Card for ~~un~~approved purchases may be considered an attempt to commit fraud against the United States Government and may subject cardholders to penalties ranging from disciplinary action to criminal penalties (see AR 6900 for disciplinary rules).

Billing Officials are pecuniarily liable for erroneous payments resulting from the performance of their duties (DOD Accountable Officials and Certifying Officers; DOD Directive 7000.15 and Chapter 33, "Accountable Officials and Certifying Officers", Volume 5, DOD Financial Management Regulation).

Furthermore, cardholders and other accountable officials will be pecuniarily liable for erroneous payments resulting from the negligent performance of their duties. Such liability can be waived for both Billing Officials and cardholders under specific circumstances (Title 33 USC Section 3527 and 3528).

- 5 CFR Part 2635, Standards of Conduct  
FAR 3.101 Standards of Conduct

Regulatory Guidance: Federal Acquisition Regulation (FAR 3.101) and 5 CFR Part 2635, Subpart B, establishes general standards of conduct guidelines for all agencies. These regulations forbid any conflict of interest in Government contractor relationships. No Government employee may solicit or accept any gratuity, gift, favor, entertainment or anything of monetary value from any party doing business with or seeking to obtain business with the employee's agency.

In addition, all Government agencies are required to prescribe their own standards of conduct outlining agency exceptions to FAR 3.101 and disciplinary actions for persons violating those standards (see DODD 5500-R, Joint Ethics Regulation, and Standards of Conduct for Employees of the Executive Branch, 5 CFR Part 2635). It is the responsibility of each employee to know and follow all general and agency standards of conduct.

#### Page 10-3

#### Standards of Conduct

Executive Orders 12674 and 12731 "Ethical Conduct"

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Page 10-3

#### Standards of Conduct

#### Executive Orders 12674 and 12731 "Ethical Conduct"

Executive Orders: The foundation for agency policy on ethical conduct is Executive Orders (EOs) 12674 and 12731. The broad principles of these EOs illustrate why poor judgement could cause an employee to inadvertently do something unethical. Under these EOs, employees are to avoid any action that might result in or create an appearance of:

- Using public office for private gain
- Giving preferential treatment to any private organization or individual
- Adversely affecting public confidence in the Government's integrity
- Making unauthorized commitments
- Defrauding the Government or failing to report fraud

Note: You should direct any questions you have on the standards of conduct to the Agency Ethics Counselor.

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### Points of Contact Regarding Subject Matter:

AMC Policy Office  
703-617-9378

The original policy is located at <http://www.amc.army.mil/amc/rda/rda-ap/impacsop.html>